

TAX CODE

TITLE 1. PROPERTY TAX CODE

SUBTITLE F. REMEDIES

CHAPTER 41A. APPEAL THROUGH BINDING ARBITRATION

Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an alternative to filing an appeal under Section 42.01, a property owner is entitled to appeal through binding arbitration under this chapter an appraisal review board order determining a protest filed under Section 41.41(a)(1) or (2) concerning the appraised or market value of property if:

(1) the property qualifies as the owner's residence homestead under Section 11.13; or

(2) the appraised or market value, as applicable, of the property as determined by the order is \$5 million or less.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. 1351), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. 182), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. 771), Sec. 4, eff. January 1, 2010.

Acts 2013, 83rd Leg., R.S., Ch. 610 (S.B. 1255), Sec. 1, eff. June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 474 (S.B. 849), Sec. 1, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 570 (S.B. 731), Sec. 1, eff. September 1, 2017.

Sec. 41A.02. NOTICE OF RIGHT TO ARBITRATION. An appraisal review board that delivers notice of issuance of an order described by Section 41A.01 and a copy of the order to a property owner as required by Section 41.47 shall include with the notice and copy:

(1) a notice of the property owner's rights under this chapter; and

Text of subdivision as added by Acts 2005, 79th Leg., Ch. 912 (H.B.

(2) a copy of the form prescribed under Section 41A.04.

Text of subdivision as added by Acts 2005, 79th Leg., R.S., Ch. 372 (S.B. 1351), Sec. 1

(2) a copy of the form prescribed under Section 41A.03(a)(1).

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. 1351), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. 182), Sec. 1, eff. September 1, 2005.

Sec. 41A.03. REQUEST FOR ARBITRATION. (a) To appeal an appraisal review board order under this chapter, a property owner must file with the appraisal district not later than the 60th day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit made payable to the comptroller in the amount of:

(A) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised

or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner, a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

(b) A property owner who fails to strictly comply with this section waives the property owner's right to request arbitration under this chapter. A property owner who appeals an appraisal review board order determining a protest concerning the appraised or market value, as applicable, of the owner's property under Chapter 42 waives the owner's right to request binding arbitration under this chapter regarding the value of that property. An arbitrator shall dismiss any pending arbitration proceeding if the property owner's rights are waived under this subsection.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. 1351), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. 182), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1034 (H.B. 4412), Sec. 1, eff.

September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. [771](#)), Sec. 5, eff.
January 1, 2010.

Acts 2013, 83rd Leg., R.S., Ch. 488 (S.B. [1662](#)), Sec. 1, eff.
January 1, 2014.

Acts 2013, 83rd Leg., R.S., Ch. 1259 (H.B. [585](#)), Sec. 23, eff.
June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 474 (S.B. [849](#)), Sec. 2, eff.
September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 570 (S.B. [731](#)), Sec. 2, eff.
September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 47 (H.B. [1802](#)), Sec. 1, eff.
May 17, 2019.

Acts 2019, 86th Leg., R.S., Ch. 659 (S.B. [1876](#)), Sec. 1, eff.
June 10, 2019.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 69, eff.
January 1, 2020.

Sec. 41A.04. CONTENTS OF REQUEST FORM. The comptroller by rule shall prescribe the form of a request for binding arbitration under this chapter. The form must require the property owner to provide only:

(1) a brief statement that explains the basis for the property owner's appeal of the appraisal review board order;

(2) a statement of the property owner's opinion of the appraised or market value, as applicable, of the property that is the subject of the appeal; and

(3) any other information reasonably necessary for the appraisal district to request appointment of an arbitrator.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff.
September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff.
September 1, 2005.

Sec. 41A.05. PROCESSING OF REGISTRATION REQUEST.

(a) Not later than the 10th day after the date an appraisal district receives from a property owner a completed request for

binding arbitration under this chapter and an arbitration deposit as required by Section [41A.03](#), the appraisal district shall:

(1) submit the request and deposit to the comptroller; and

(2) request the comptroller to appoint a qualified arbitrator to conduct the arbitration.

(b) The comptroller may retain \$50 of the deposit to cover the comptroller's administrative costs.

(c) The comptroller may not reject an application submitted to the comptroller under this section unless:

(1) the comptroller delivers written notice to the applicant of the defect in the application that would be the cause of the rejection; and

(2) the applicant fails to cure the defect on or before the 15th day after the date the comptroller delivers the notice.

(d) An applicant may cure a defect in accordance with Subsection (c) at any time before the expiration of the period provided by that subsection, without regard to the deadline for filing the request for binding arbitration under Section [41A.03](#)(a).

(e) For purposes of this section, a reference to the applicant includes the applicant's representative if the applicant has retained a representative as provided by Section [41A.08](#) for purposes of representing the applicant in an arbitration proceeding under this chapter.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 474 (S.B. [849](#)), Sec. 3, eff. September 1, 2015.

Acts 2019, 86th Leg., R.S., Ch. 47 (H.B. [1802](#)), Sec. 2(a), eff. May 17, 2019.

Sec. 41A.06. REGISTRY AND QUALIFICATION OF ARBITRATORS.

(a) The comptroller shall maintain a registry listing the qualified persons who have agreed to serve as arbitrators under

this chapter.

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

(c) a certified public accountant under Chapter 901, Occupations Code;

(2) complete the courses for training and education of appraisal review board members established under Sections 5.041(a) and (e-1) and be issued a certificate for each course indicating course completion;

(3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and

(4) agree to conduct an arbitration for a fee that is not more than:

(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised

or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$750, if the property does not qualify as the owner's residence homestead under Section [11.13](#) and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section [11.13](#) and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section [11.13](#) and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

(c) Repealed by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 91(4), eff. January 1, 2020.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. [771](#)), Sec. 8, eff. January 1, 2010.

Acts 2013, 83rd Leg., R.S., Ch. 610 (S.B. [1255](#)), Sec. 2, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 610 (S.B. [1255](#)), Sec. 3, eff. June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 474 (S.B. [849](#)), Sec. 4, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 570 (S.B. [731](#)), Sec. 3, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 70, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 91(4), eff. January 1, 2020.

Sec. 41A.061. CONTINUED QUALIFICATION OF ARBITRATOR; RENEWAL OF AGREEMENT. (a) The comptroller shall include a qualified arbitrator in the registry until the second anniversary of the date the person was added to the registry. To continue to be included in the registry after the second anniversary of the date the person was added to the registry, the person must renew the person's agreement with the comptroller to serve as an arbitrator on or as near as possible to the date on which the person's license or certification issued under Chapter 901, 1101, or 1103, Occupations Code, is renewed.

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4);

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association; and

(4) complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

(c) The comptroller shall remove a person from the registry if:

(1) the person fails or declines to renew the person's agreement to serve as an arbitrator in the manner required by this section;

(2) the comptroller determines by clear and convincing evidence that there is good cause to remove the person from the registry, including evidence of repeated bias or misconduct by the

person while acting as an arbitrator; or

(3) the person fails to complete a revised training program on property tax law for the training and education of arbitrators established under Section 5.043 not later than the 120th day after the date the program is available to be taken if the comptroller:

(A) revises the program after the person is included in the registry; and

(B) determines that the program is substantially revised.

Added by Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. 771), Sec. 9, eff. January 1, 2010.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 744 (S.B. 1286), Sec. 2, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 71, eff. January 1, 2020.

Sec. 41A.07. APPOINTMENT OF ARBITRATOR. (a) On receipt of the request and deposit under Section 41A.05, the comptroller shall:

(1) appoint an eligible arbitrator who is listed in the comptroller's registry; and

(2) send notice to the appointed arbitrator requesting the individual to conduct the hearing on the arbitration.

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 744 (S.B. 1286), Sec. 4, eff. September 1, 2017.

(c) Repealed by Acts 2017, 85th Leg., R.S., Ch. 744 (S.B. 1286), Sec. 4, eff. September 1, 2017.

(d) If the arbitrator appointed is unable or unwilling to conduct the arbitration for any reason, the arbitrator shall promptly notify the comptroller that the arbitrator does not accept the appointment and state the reason. The comptroller shall appoint a substitute arbitrator promptly after receipt of the notice.

(e) To be eligible for appointment as an arbitrator under this section, the arbitrator must reside in this state.

(f) A person is not eligible for appointment as an arbitrator under this section if at any time during the preceding two years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

(2) served as an officer or employee of that appraisal district; or

(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 744 (S.B. [1286](#)), Sec. 3, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 744 (S.B. 1286), Sec. 4, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. 2), Sec. 72, eff. January 1, 2020.

Sec. 41A.08. NOTICE AND HEARING; REPRESENTATION OF PARTIES.

(a) On acceptance of an appointment to conduct an arbitration under this chapter, the arbitrator shall set the date, time, and place of a hearing on the arbitration. The arbitrator shall give notice of and conduct the hearing in the manner provided by Subchapter C, Chapter 171, Civil Practice and Remedies Code. The arbitrator:

(1) shall continue a hearing if both parties agree to the continuance; and

(2) may continue a hearing for reasonable cause.

(b) The parties to an arbitration proceeding under this chapter may represent themselves or, at their own cost, may be represented by:

(1) an employee of the appraisal district;

(2) an attorney who is licensed in this state;

(3) a person who is licensed as a real estate broker or salesperson under Chapter 1101, Occupations Code, or is licensed or certified as a real estate appraiser under Chapter 1103, Occupations Code;

(4) a property tax consultant registered under Chapter 1152, Occupations Code; or

(5) an individual who is licensed as a certified public accountant under Chapter 901, Occupations Code.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. 1351), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. 182), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. 771), Sec. 10, eff. January 1, 2010.

Sec. 41A.09. AWARD; PAYMENT OF ARBITRATOR'S FEE. (a) Not later than the 20th day after the date the hearing under Section

41A.08 is concluded, the arbitrator shall make an arbitration award and deliver a copy of the award to the property owner, appraisal district, and comptroller.

(b) An award under this section:

(1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

(2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;

(3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4);

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

(5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

(c) If the arbitrator determines that the appraised or market value, as applicable, of the property that is the subject of the appeal is nearer to the property owner's opinion of the appraised or market value, as applicable, of the property as stated in the request for binding arbitration submitted under Section 41A.03 than the value determined by the appraisal review board:

(1) the comptroller, on receipt of a copy of the award, shall refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section 41A.05(b);

(2) the appraisal district, on receipt of a copy of the award, shall pay the arbitrator's fee; and

(3) the chief appraiser shall correct the appraised or market value, as applicable, of the property as shown in the appraisal roll to reflect the arbitrator's determination.

(d) If the arbitrator determines that the appraised or market value, as applicable, of the property that is the subject of the appeal is not nearer to the property owner's opinion of the appraised or market value, as applicable, of the property as stated in the request for binding arbitration submitted under Section 41A.03 than the value determined by the appraisal review board:

(1) the comptroller, on receipt of a copy of the award, shall:

(A) pay the arbitrator's fee out of the owner's arbitration deposit; and

(B) refund to the owner the owner's arbitration deposit, less the arbitrator's fee and the amount retained by the comptroller under Section [41A.05\(b\)](#); and

(2) the chief appraiser shall correct the appraised or market value, as applicable, of the property as shown in the appraisal roll to reflect the arbitrator's determination if the value as determined by the arbitrator is less than the value as determined by the appraisal review board.

(e) The comptroller by rule may prescribe a standard form for an award and may require arbitrators to use the award form when making awards under this chapter.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1211 (S.B. [771](#)), Sec. 11, eff. January 1, 2010.

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 73, eff. January 1, 2020.

The following section was amended by the 87th Legislature. Pending publication of the current statutes, see H.B. [988](#) and S.B. [1854](#), 87th Legislature, Regular Session, for amendments affecting the following section.

Sec. 41A.10. PAYMENT OF TAXES PENDING APPEAL. (a) The pendency of an appeal under this chapter does not affect the delinquency date for the taxes on the property subject to the appeal. A property owner who appeals an appraisal review board order under this chapter shall pay taxes on the property subject to the appeal in an amount equal to the amount of taxes due on the portion of the taxable value of the property that is not in dispute. If the final determination of an appeal under this

chapter decreases the property owner's tax liability to less than the amount of taxes paid, the taxing unit shall refund to the property owner the difference between the amount of taxes paid and the amount of taxes for which the property owner is liable.

(b) A property owner may not file an appeal under this chapter if the taxes on the property subject to the appeal are delinquent. An arbitrator who determines that the taxes on the property subject to an appeal are delinquent shall dismiss the pending appeal with prejudice. If an appeal is dismissed under this subsection, the comptroller shall refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section [41A.05\(b\)](#).

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Sec. 41A.11. POSTAPPEAL ADMINISTRATIVE PROCEDURES. An arbitration award under this chapter is considered to be a final determination of an appeal for purposes of Subchapter [C](#), Chapter [42](#).

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Sec. 41A.12. USE OF PROPERTIES AS SAMPLES. An arbitrator's determination of market value under this chapter is the market value of the property subject to the appeal for the purposes of the study conducted under Section [403.302](#), Government Code.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 288 (H.B. [8](#)), Sec. 10, eff. January 1, 2010.

Sec. 41A.13. RULES. The comptroller may adopt rules necessary to implement and administer this chapter.

Added by Acts 2005, 79th Leg., Ch. 372 (S.B. [1351](#)), Sec. 1, eff. September 1, 2005.

Added by Acts 2005, 79th Leg., Ch. 912 (H.B. [182](#)), Sec. 1, eff. September 1, 2005.